

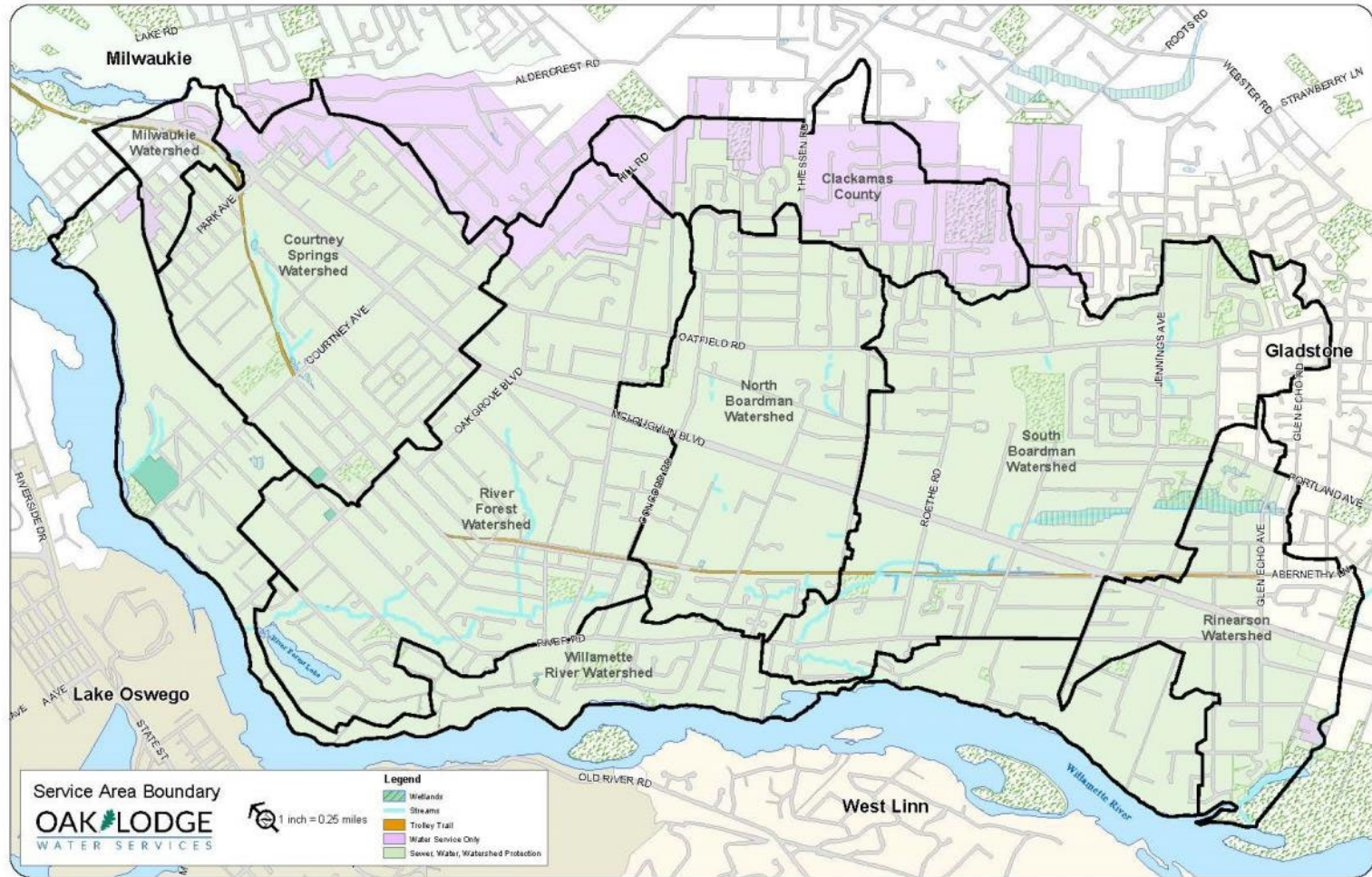


Budget Committee Rate Increase Scenarios

April 25, 2023



OLWS serves homes and businesses, providing 24/7 reliable water services to nearly 29,000 people



Providing essential water services to our community



Our Commitments



Protect public health



Provide excellent customer service



Make smart investments and keep rates affordable



Keep our streams and rivers clean

One District, three services – protecting public health and our water resources

Safe and reliable drinking water from the Clackamas River delivered to customers



Wastewater collected from homes and businesses, treated and returned to the Willamette River



Water quality of local streams and rivers protected





Scenario #1 (Fully Funded CIP) Rate Increase of \$35.16/mo

- ❖ Covers all associated increases for Water, Wastewater, and Watershed Protection in:
 - ❖ Operations
 - ❖ Debt Service
 - ❖ Administrative Services
 - ❖ Capital Expenditures
 - ❖ Borrowing of \$2.2M is still needed for Wastewater
 - ❖ Fund Balance Reduction
 - ❖ Does not add to Reserves, just maintains current level
 - ❖ Does not meet funding policy levels in DW until 2027 and WW until 2029
- ❖ Allows OLWS to start mandated projects per Master Plans
- ❖ Positions OLWS for better loan options
- ❖ Allows for Emergency repairs

Capital Improvement Projects Overview

Wastewater Capital Improvement Projects

| Page | Project Name | FY24 | FY25 | FY26 |
|------------------------------------------|-------------------------------------------|---------------------|----------------------|---------------------|
| 15 | Lift Station 5 Basin RDII | 2,200,000 | | |
| 16 | Lift Station 2 Basin RDII | 328,000 | 450,000 | 4,705,823 |
| 17 | Lift Station 6 Basin RDII | | 82,688 | 476,942 |
| 18 | Influent Lift Station Basin RDII | | 1,214,955 | 250,000 |
| 19 | Lift Station 4 Basin RDII | | | 46,559 |
| 20 | Trunk Main A Upsizing | | | |
| 21 | Trunk Main B Upsizing | | | |
| 22 | LS2 Construction | 1,100,000 | | |
| 23 | LS3 Construction | 75,000 | 220,000 | 908,460 |
| 24 | Hillside Sewer Line Replacement | 700,000 | | |
| 25 | Boardman Sewer Line Replacement | | 630,000 | |
| 26 | Manhole Repair Program | 75,000 | 100,000 | 100,000 |
| 27 | Mainline Repair Program | 75,000 | 100,000 | 100,000 |
| 28 | Lateral Repair Program | 75,000 | 100,000 | 100,000 |
| 29 | Replace Aeration Blowers | 275,000 | 300,000 | |
| 30 | Tertiary Treatment at WWTP | 800,000 | 6,615,000 | 5,677,875 |
| 31 | Influent Lift Station Reconstruction | | | 124,913 |
| 32 | Secondary Clarifier 1 and 2 Refurbishment | 200,000 | 1,323,000 | 1,249,133 |
| 33 | UV Disinfection Rehabilitation | | | 124,913 |
| 34 | UV Disinfection Equipment Replacement | 30,000 | 31,500 | 32,445 |
| 35 | TWAS Pump Replacement | | | 75,000 |
| 36 | Motor Control (VFD) Replacement | 35,000 | 36,750 | 37,853 |
| 37 | Plant Drain Pump Replacement | | | 136,269 |
| 38 | Plant Air-line Inspection | | 88,200 | |
| 39 | Wastewater Master Plan update | 50,000 | | |
| Total Wastewater Capital Expenses | | \$ 6,018,000 | \$ 11,292,093 | \$14,146,185 |

Water Capital Improvement Projects

| Page | Project Name | FY24 | FY25 | FY26 |
|-------------------------------------|-------------------------------------------------|---------------------|---------------------|---------------------|
| 41 | Water Pump Station at CRW Generator | 200,000 | | |
| 42 | Seismic Study of 24-inch Supply Line | 200,000 | | |
| 43 | Valley View Tank Upgrades (Fall Protection) | 150,000 | | |
| 44 | Valley View Leak Repair | 50,000 | | |
| 45 | 28th Avenue and Lakewood Drive | 2,000,000 | | |
| 46 | Milwaukie-OLWSD Intertie Pump Station | 200,000 | 2,500,000 | 2,500,000 |
| 47 | Large Meter Testing and Replacement | 100,000 | 57,000 | 59,000 |
| 48 | Valley View Pole Storage Building | 25,000 | 75,000 | |
| 49 | Ranstad and Cinderella Courts | | 165,375 | |
| 50 | Marcia Court | | | 200,000 |
| 51 | Oatfield Road | | | 400,000 |
| 52 | Lisa Lane | | | 340,000 |
| 53 | Pressure Reducing Valve Rebuild (Every 5 years) | | 20,000 | |
| 54 | Hydrant Capital Repair and Replacement | 175,000 | 183,750 | |
| 55 | McLoughlin - Jennings to Arista | 250,000 | | |
| 56 | AWIA Risk and Resilience Assessment - Update | | | 50,000 |
| 57 | Water System Master Plan - Update | | 50,000 | 150,000 |
| 58 | SCADA System Upgrades | 100,000 | 50,000 | 51,500 |
| 59 | Radio Telemetry Activation Study | | | |
| 60 | Vault Meter Bypass Installations | | | |
| 61 | River Road | | | |
| 62 | Seal Coat on Valley View Reservoir Domes | | | |
| 63 | View Acres Recoat Tank Exterior and Interior | | | |
| Total Water Capital Expenses | | \$ 3,450,000 | \$ 3,101,125 | \$ 3,750,500 |



Scenario #2 (Bare Minimum) Rate Increase of \$12.94/mo

- ❖ Bare minimum to stay operational
- ❖ Constrains OLWS to obtain loans for future Capital projects
- ❖ Minimal Capital projects
 - ❖ All Wastewater projects currently under contract
 - ❖ Does not provide funding for mandated Capital projects
- ❖ No funding for emergency fixes in Wastewater and very minimal in Drinking Water
- ❖ Projects shifted to following years at increased costs
 - ❖ 'Kicking the can down the road another year'

Capital Improvement Projects Overview

Wastewater Capital Improvement Projects

| Page | Project Name | FY24 | FY25 | FY26 |
|-----------------------------------|-------------------------------------------|---------------------|---------------|--------------|
| 15 | Lift Station 5 Basin RDII | | 2,500,000 | |
| 16 | Lift Station 2 Basin RDII | | 850,000 | 4,705,823 |
| 17 | Lift Station 6 Basin RDII | | 82,688 | 476,942 |
| 18 | Influent Lift Station Basin RDII | | 1,214,955 | 250,000 |
| 19 | Lift Station 4 Basin RDII | | | 46,559 |
| 20 | Trunk Main A Upsizing | | | |
| 21 | Trunk Main B Upsizing | | | |
| 22 | LS2 Construction | 1,100,000 | | |
| 23 | LS3 Construction | | 310,000 | 908,460 |
| 24 | Hillside Sewer Line Replacement | 700,000 | | |
| 25 | Boardman Sewer Line Replacement | | 630,000 | |
| 26 | Manhole Repair Program | | 75,000 | 100,000 |
| 27 | Mainline Repair Program | | 75,000 | 100,000 |
| 28 | Lateral Repair Program | | 75,000 | 100,000 |
| 29 | Replace Aeration Blowers | | 300,000 | 325,000 |
| 30 | Tertiary Treatment at WWTP | | 7,615,000 | 5,677,875 |
| 31 | Influent Lift Station Reconstruction | | | 124,913 |
| 32 | Secondary Clarifier 1 and 2 Refurbishment | | 1,600,000 | 1,249,133 |
| 33 | UV Disinfection Rehabilitation | | | 124,913 |
| 34 | UV Disinfection Equipment Replacement | | 31,500 | 32,445 |
| 35 | TWAS Pump Replacement | | | 75,000 |
| 36 | Motor Control (VFD) Replacement | | 36,750 | 37,853 |
| 37 | Plant Drain Pump Replacement | | | 136,269 |
| 38 | Plant Air-line Inspection | | 88,200 | |
| 39 | Wastewater Master Plan update | 50,000 | | |
| Total Wastewater Capital Expenses | | \$ 1,850,000 | \$ 15,484,093 | \$14,471,185 |

Water Capital Improvement Projects

| Page | Project Name | FY24 | FY25 | FY26 |
|------------------------------|-------------------------------------------------|-------------------|--------------|--------------|
| 41 | Water Pump Station at CRW Generator | 200,000 | | |
| 42 | Seismic Study of 24-inch Supply Line | | 225,000 | |
| 43 | Valley View Tank Upgrades (Fall Protection) | 150,000 | | |
| 44 | Valley View Leak Repair | 50,000 | | |
| 45 | 28th Avenue and Lakewood Drive | | 2,200,000 | |
| 46 | Milwaukie-OLWSD Intertie Pump Station | | 2,750,000 | 2,500,000 |
| 47 | Large Meter Testing and Replacement | | 157,000 | 59,000 |
| 48 | Valley View Pole Storage Building | | 110,000 | |
| 49 | Ranstad and Cinderella Courts | | 165,375 | |
| 50 | Marcia Court | | | 200,000 |
| 51 | Oatfield Road | | | 400,000 |
| 52 | Lisa Lane | | | 340,000 |
| 53 | Pressure Reducing Valve Rebuild (Every 5 years) | | 20,000 | |
| 54 | Hydrant Capital Repair and Replacement | 175,000 | 183,750 | |
| 55 | McLoughlin - Jennings to Arista | 250,000 | | |
| 56 | AWIA Risk and Resilience Assessment - Update | | | 50,000 |
| 57 | Water System Master Plan - Update | | 50,000 | 150,000 |
| 58 | SCADA System Upgrades | | 160,000 | 51,500 |
| 59 | Radio Telemetry Activation Study | | | |
| 60 | Vault Meter Bypass Installations | | | |
| 61 | River Road | | | |
| 62 | Seal Coat on Valley View Reservoir Domes | | | |
| 63 | View Acres Recoat Tank Exterior and Interior | | | |
| Total Water Capital Expenses | | \$ 825,000 | \$ 6,021,125 | \$ 3,750,500 |



Scenario #3

Rate increase of \$28.63/mo

- ❖ Covers majority of all associated increases for Water, Wastewater, and Watershed Protection in:
 - ❖ Operations
 - ❖ Debt Service
 - ❖ Administrative Services
 - ❖ Capital Expenditures
 - ❖ Borrowing of \$2.2M is still needed for Wastewater
 - ❖ Does not fund Drinking Water Capital at needed level
 - ❖ Fund Balance Reduction
 - ❖ Does not add to Reserves, just maintains current level
 - ❖ Does not meet funding policy levels in DW until 2027 and WW until 2029
- ❖ Allows OLWS to start mandated projects per Wastewater Master Plans
- ❖ Allows for Emergency repairs in Wastewater but minimal in Drinking Water

Capital Improvement Projects Overview

Wastewater Capital Improvement Projects

| Page | Project Name | FY24 | FY25 | FY26 |
|------------------------------------------|-------------------------------------------|---------------------|----------------------|---------------------|
| 15 | Lift Station 5 Basin RDII | 2,200,000 | | |
| 16 | Lift Station 2 Basin RDII | 328,000 | 450,000 | 4,705,823 |
| 17 | Lift Station 6 Basin RDII | | 82,688 | 476,942 |
| 18 | Influent Lift Station Basin RDII | | 1,214,955 | 250,000 |
| 19 | Lift Station 4 Basin RDII | | | 46,559 |
| 20 | Trunk Main A Upsizing | | | |
| 21 | Trunk Main B Upsizing | | | |
| 22 | LS2 Construction | 1,100,000 | | |
| 23 | LS3 Construction | 75,000 | 220,000 | 908,460 |
| 24 | Hillside Sewer Line Replacement | 700,000 | | |
| 25 | Boardman Sewer Line Replacement | | 630,000 | |
| 26 | Manhole Repair Program | 75,000 | 100,000 | 100,000 |
| 27 | Mainline Repair Program | 75,000 | 100,000 | 100,000 |
| 28 | Lateral Repair Program | 75,000 | 100,000 | 100,000 |
| 29 | Replace Aeration Blowers | 275,000 | 300,000 | |
| 30 | Tertiary Treatment at WWTP | 800,000 | 6,615,000 | 5,677,875 |
| 31 | Influent Lift Station Reconstruction | | | 124,913 |
| 32 | Secondary Clarifier 1 and 2 Refurbishment | 200,000 | 1,323,000 | 1,249,133 |
| 33 | UV Disinfection Rehabilitation | | | 124,913 |
| 34 | UV Disinfection Equipment Replacement | 30,000 | 31,500 | 32,445 |
| 35 | TWAS Pump Replacement | | | 75,000 |
| 36 | Motor Control (VFD) Replacement | 35,000 | 36,750 | 37,853 |
| 37 | Plant Drain Pump Replacement | | | 136,269 |
| 38 | Plant Air-line Inspection | | 88,200 | |
| 39 | Wastewater Master Plan update | 50,000 | | |
| Total Wastewater Capital Expenses | | \$ 6,018,000 | \$ 11,292,093 | \$14,146,185 |

Water Capital Improvement Projects

| Page | Project Name | FY24 | FY25 | FY26 |
|-------------------------------------|-------------------------------------------------|---------------------|---------------------|---------------------|
| 41 | Water Pump Station at CRW Generator | 200,000 | | |
| 42 | Seismic Study of 24-inch Supply Line | 200,000 | | |
| 43 | Valley View Tank Upgrades (Fall Protection) | 150,000 | | |
| 44 | Valley View Leak Repair | 50,000 | | |
| 45 | 28th Avenue and Lakewood Drive | 1,000,000 | 1,200,000 | |
| 46 | Milwaukie-OLWSD Intertie Pump Station | 200,000 | 2,500,000 | 2,500,000 |
| 47 | Large Meter Testing and Replacement | 100,000 | 57,000 | 59,000 |
| 48 | Valley View Pole Storage Building | 25,000 | 75,000 | |
| 49 | Ranstad and Cinderella Courts | | 165,375 | |
| 50 | Marcia Court | | | 200,000 |
| 51 | Oatfield Road | | | 400,000 |
| 52 | Lisa Lane | | | 340,000 |
| 53 | Pressure Reducing Valve Rebuild (Every 5 years) | | 20,000 | |
| 54 | Hydrant Capital Repair and Replacement | 175,000 | 183,750 | |
| 55 | McLoughlin - Jennings to Arista | 250,000 | | |
| 56 | AWIA Risk and Resilience Assessment - Update | | | 50,000 |
| 57 | Water System Master Plan - Update | | 50,000 | 150,000 |
| 58 | SCADA System Upgrades | 100,000 | 50,000 | 51,500 |
| 59 | Radio Telemetry Activation Study | | | |
| 60 | Vault Meter Bypass Installations | | | |
| 61 | River Road | | | |
| 62 | Seal Coat on Valley View Reservoir Domes | | | |
| 63 | View Acres Recoat Tank Exterior and Interior | | | |
| Total Water Capital Expenses | | \$ 2,450,000 | \$ 4,301,125 | \$ 3,750,500 |



Scenario #4

Rate increase of \$26.54/mo

- ❖ Covers majority of all associated increases for Water, Wastewater, and Watershed Protection in:
 - ❖ Operations
 - ❖ Debt Service
 - ❖ Administrative Services
 - ❖ Capital Expenditures
 - ❖ Borrowing of \$2.2M is still needed for Wastewater
 - ❖ Fund Balance Reduction
 - ❖ Does not add to Reserves, just maintains current level
 - ❖ Does not meet funding policy levels in DW until 2027 and WW until 2029
- ❖ Allows OLWS to start mandated projects per Wastewater Master Plans
- ❖ Allows for Emergency repairs in Wastewater and Drinking Water

Capital Improvement Projects Overview

Wastewater Capital Improvement Projects

| Page | Project Name | FY24 | FY25 | FY26 |
|-----------------------------------|-------------------------------------------|--------------|---------------|---------------|
| 15 | Lift Station 5 Basin RDII | 1,500,000 | 1,000,000 | |
| 16 | Lift Station 2 Basin RDII | 200,000 | 600,000 | 4,705,823 |
| 17 | Lift Station 6 Basin RDII | | 82,688 | 476,942 |
| 18 | Influent Lift Station Basin RDII | | 1,214,955 | 250,000 |
| 19 | Lift Station 4 Basin RDII | | | 46,559 |
| 20 | Trunk Main A Upsizing | | | |
| 21 | Trunk Main B Upsizing | | | |
| 22 | LS2 Construction | 1,100,000 | | |
| 23 | LS3 Construction | 50,000 | 275,000 | 908,460 |
| 24 | Hillside Sewer Line Replacement | 700,000 | | |
| 25 | Boardman Sewer Line Replacement | | 630,000 | |
| 26 | Manhole Repair Program | 75,000 | 100,000 | 100,000 |
| 27 | Mainline Repair Program | 75,000 | 100,000 | 100,000 |
| 28 | Lateral Repair Program | 75,000 | 100,000 | 100,000 |
| 29 | Replace Aeration Blowers | 275,000 | | 325,000 |
| 30 | Tertiary Treatment at WWTP | 800,000 | 6,615,000 | 5,677,875 |
| 31 | Influent Lift Station Reconstruction | | | 124,913 |
| 32 | Secondary Clarifier 1 and 2 Refurbishment | 200,000 | 1,323,000 | 1,249,133 |
| 33 | UV Disinfection Rehabilitation | | | 124,913 |
| 34 | UV Disinfection Equipment Replacement | 30,000 | 31,500 | 32,445 |
| 35 | TWAS Pump Replacement | | | 75,000 |
| 36 | Motor Control (VFD) Replacement | 35,000 | 36,750 | 37,853 |
| 37 | Plant Drain Pump Replacement | | | 136,269 |
| 38 | Plant Air-line Inspection | | 88,200 | |
| 39 | Wastewater Master Plan update | 50,000 | | |
| Total Wastewater Capital Expenses | | \$ 5,165,000 | \$ 12,197,093 | \$ 14,471,185 |

Water Capital Improvement Projects

| Page | Project Name | FY24 | FY25 | FY26 |
|------------------------------|-------------------------------------------------|--------------|--------------|--------------|
| 41 | Water Pump Station at CRW Generator | 200,000 | | |
| 42 | Seismic Study of 24-inch Supply Line | 200,000 | | |
| 43 | Valley View Tank Upgrades (Fall Protection) | 150,000 | | |
| 44 | Valley View Leak Repair | 50,000 | | |
| 45 | 28th Avenue and Lakewood Drive | 1,500,000 | 700,000 | |
| 46 | Milwaukie-OLWSD Intertie Pump Station | 200,000 | 2,500,000 | 2,500,000 |
| 47 | Large Meter Testing and Replacement | 100,000 | 57,000 | 59,000 |
| 48 | Valley View Pole Storage Building | 25,000 | 75,000 | |
| 49 | Ranstad and Cinderella Courts | | 165,375 | |
| 50 | Marcia Court | | | 200,000 |
| 51 | Oatfield Road | | | 400,000 |
| 52 | Lisa Lane | | | 340,000 |
| 53 | Pressure Reducing Valve Rebuild (Every 5 years) | | 20,000 | |
| 54 | Hydrant Capital Repair and Replacement | 175,000 | 183,750 | |
| 55 | McLoughlin - Jennings to Arista | 250,000 | | |
| 56 | AWIA Risk and Resilience Assessment - Update | | | 50,000 |
| 57 | Water System Master Plan - Update | | 50,000 | 150,000 |
| 58 | SCADA System Upgrades | 100,000 | 50,000 | 51,500 |
| 59 | Radio Telemetry Activation Study | | | |
| 60 | Vault Meter Bypass Installations | | | |
| 61 | River Road | | | |
| 62 | Seal Coat on Valley View Reservoir Domes | | | |
| 63 | View Acres Recoat Tank Exterior and Interior | | | |
| Total Water Capital Expenses | | \$ 2,950,000 | \$ 3,801,125 | \$ 3,750,500 |

Questions?

OAK  **LODGE**
WATER SERVICES

